NALCO has informed that the reasons for reduction in profit in 2007-08 were due to lower realization from sale of both alumina and aluminium in view of appreciation of rupee against US Dollar and increased cost of production. In 2008-09, the major reasons for drop in profit were reduction in the London Metal Exchange (LME) price of aluminium, increase in total operating cost of the Company due to escalation of prices of raw materials and revision of salary for executives.

(c) and (d) NALCOus 2nd phase expansion project envisaging augmentation of its various production capacities, which was scheduled for completion by December, 2008 has been delayed. The primary reasons for the project falling behind schedule are as under:-

(i) Delay in appointment of Engineering, Procurement, Construction and Management (EPCM) consultant.

(ii) Delay in appointment of technology supplier M/s Aluminium Pechiney (now Rio Tinto Alcan).

(iii) Poor response of suppliers to tenders and request for quotations floated by the Company, in view of saturated market conditions which ultimately delayed execution of work.

(iv) Failure of major contractors engaged for the various project segments in honouring their commitments.

(v) Lack of availability of adequate skilled manpower for mines and refinery project in Damanjodi due to its difficult terrain and naxalite threat perception.

Illegal mining in Orissa

378. SHRI RAMA CHANDRA KHUNTIA : Will the Minister of **MINES** be pleased to state:

(a) whether Government is aware of the illegal mining in Orissa;

(b) if so, what is the loss to Governmentus revenue due to this illegal mining; and

(c) the details of the preventive and corrective steps that have been taken in this regard?

THE MINISTER OF MINES (SHRI B.K. HANDIQUE) : (a) to (c) Some instances of illegal mining of iron ore and manganese ore in Keonjhar district of Orissa have come to the notice of the Government. The Indian Bureau of Mines inquiries has found evidence of illegal mining of 1957 tonnes of iron ore and 56453 tonnes of manganese ore, of a value of approximately Rs.23.39 crores.

The State Government of Orissa has informed that :-

- A Vigilance investigation is underway
- Administrative enquiry is underway

- The State Government has arrested 8 persons (of which 6 are Government officials and 1 retired officer of the State Government) on 12.8.2009, who were subsequently released on bail.
- State Level Task Force has been reconstituted under the Chairmanship of Chief Secretary.
- All the District Collectors have been directed to hold District Level Task Force meetings regularly, verify the lease hold areas and take appropriate action.
- The State Level Enforcement Squad constituted earlier has now been strengthened and enforcement activities intensified.
- The Department has introduced newly designed Transit Passes printed in Government Printing Press.

The State Government has also reported on 16.11.2009 that it has taken the following additional action in this matter:

- 128 mining leases for various minerals including iron ore, manganese, chromite, limestone, dolomite and quartzite, where application for renewal of lease had been pending have been verified and mining operations suspended.
- 482 licences granted by the State for trading and storage of minerals have been suspended/cancelled.
- State Level Enforcement squad is conducting intensive inspection of non grant areas to check for illegal mining.
- The Mines Department in the State has begun verification of the mining lease boundaries, for which remote sensing technology is also proposed to be used.
- Four Committees have been constituted at State level for setting up integrated check gates, Revenue Intelligence, Study rationalization of weigh-bridges, and Study to deploy IT application in mineral administration.
- Filling up vacant post in the Mines Department of the State Government to enhance enforcement.

The Government has not come across any instance of clandestine transportation of iron ore, chromites and manganese into China and Bangladesh. However, the export of these minerals is guided by the EXIM policy laid down by the Government.

Contract workers in NALCO

379. SHRI RAMA CHANDRA KHUNTIA : Will the Minister of MINES be pleased to state:

(a) the number of contract workers working in NALCO;

(b) the number of gate-pass issued to the contract labour in NALCO; and

(c) the number of contract labour who are covered under EPF and ESIC?